

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 02587 090419 Z

43

ACTION TRSE-00

INFO OCT-01 EA-11 NEA-10 ADP-00 IO-13 H-02 L-03 PRS-01

PA-03 USIA-12 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 RSR-01

/165 W

----- 041153

R 090340 Z JUN 73

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 9984

INFO AMEMBASSY MANILA

LIMITED OFFICIAL USE DACCA 2587

FOR NAC AGENCIES

MANILA FOR USADB

E. O. 11652: N/ A

TAGS: EAID EFIN BG

SUBJ: PROPOSED ADB LOANS AND TA FOR BANGLADESH SHILPA BANK

REF: HDNILA 6424

1. REFTEL, ADB APPRAISAL AND AGREEMENTS PROVIDE REVIEW OF BACKGROUND AND PRESENT DIFFICULTIES OF SHILPA BANK (SB) BUT DO NOT PROVIDE MUCH SUBSTANTIVE DISCUSSION OF LONGER- TERM PBJECTIVES OF SB. MISSION FEELS REVITALIZATION OF SB SHOULD BE PREDICATED UPON COGNIZANCE OF FOLLOWING THREE POINTS.

2. THE ORIGINAL EIGHT SUB- PROJECTS WHICH WERE FINANCED BY THE INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN NOW FALL UNDER DE JURE OR DE FACTO NATIONALIZED MANAGEMENT. GIVEN PRESENT NEAR- STAGNANT STATE OF SOME AREAS OF INDUSTRIAL SECTOR, WE FEEL INVESTMENT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 02587 090419 Z

CLIMATE FOR PAST AND FUTURE SB PROJECT RELENDING BEARS CLOSE
SCRUTINY.

3. PROPOSED ADB TERMS FOR SB LOAN FACILITATE RESOURCE TRANSFERS
AND MINIMIZE FUTURE DEBT BURDEN, BUT SAME ARGUMENTS CANNOT BE
APPLIED TO SB' S INTERNAL RELENDING OF THESE FUNDS BECAUSE SUCH
RELENDING SERVES TO STRENGTHEN INSULAR POCKETS OF INDUSTRIALIZA-
TION. SB RELENDING POLICY SHOULD INCLUDE INTEREST RATES AND
TECHNICAL ASSISTANCE TO ITS CLIENTS THAT ENCOURAGES THESE CLIENTS,
FOR REASONS OF PROFIT MAXIMIZATION, MORE FULLY UTILIZE THE COUNTRY' S
INTERNAL FACTOR ENDOWMENT; TO MAKE MORE EFFICIENT USE SCARCE
CAPITAL AND TO EMPLOY MORE LABOR PER UNIT CAPITAL. DONORS AND
INTERNATIONAL AGENCIES WE FEEL SHOULD DO MORE TO FINANCE AND
COUNSEL EMPLOYMENT- GENERATING PROJECTS MADE KNOWN BY AND
LARGE BY THEIR STUDIES AND POLICY PRONOUNCEMENTS ON THIS SUBJECT.
" BUSINESS AS USUAL" WILL NOT USE SCARCE FOREIGN EXCHANGE TO FULL
ADVANTAGE AND WILL SIDESTEP THE VERY PRESSING EMPLOYMENT PROBLEM.
WHILE MACRO INTEREST RATE POLICY CHANGE FALLS OUTSIDE SB AUTHORITY,
WE SUGGEST SB HAS MORE ROOM FOR ADJUSTMENT AND COUNSEL THAN IS
EXERCISED.

4. THE TECHNICAL ASSISTANCE PROPOSAL OF THE SB PROJECT SHOULD
PLACE GREAT EMPHASIS ON TRAINING TO DEVELOP STAFF CAPACITY TO
ANALYZE SB SUB- PROJECT PROPOSALS IN TERMS OF THE POINTS RAISED
PARA 3.

5. WE WOULD THEREFORE RECOMMEND THAT IN FUTURE ADB- SB
DISCUSSIONS, AS WELL AS IN ALL DEVELOPMENT BANK RELENDING
PROJECTS OF THIS TYPE THAT ADB PRESS FOR INCLUSION OF THESE
CRITERIA IN DOMESTIC DEVELOPMENT BANK RELENDING POLICY.
DECLAS JUNE 8, 1974.
NEWBERRY

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973DACCA02587
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730620/aaaajbyl.tel
Line Count: 98
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03-Dec-2001 by shawdg>; APPROVED <21-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980209
Subject: PROPOSED ADB LOANS AND TA FOR BANGLADESH SHILPA BANK
TAGS: EAID, EFIN, BG
To: MANILA
MANILA
SECSTATE WASHDC
TRSE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005